



The President's Daily Brief

Top Secret 30 December 1967



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DAILY BRIEF
30 DECEMBER 1967

1. Communist China

The most serious outbreak of armed violence since at least last summer erupted in the important south China city of Kun-ming earlier this week.

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2. Pakistan

3. United Kingdom

George Brown showed up suddenly in Rome yesterday for a day of talks with Foreign Minister Fanfani on the Common Market problem. He is clearly wasting no time in following up the promise he gave Parliament last week to begin consultations with the Five about what to do in the wake of the French veto.

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4. Czechoslovakia

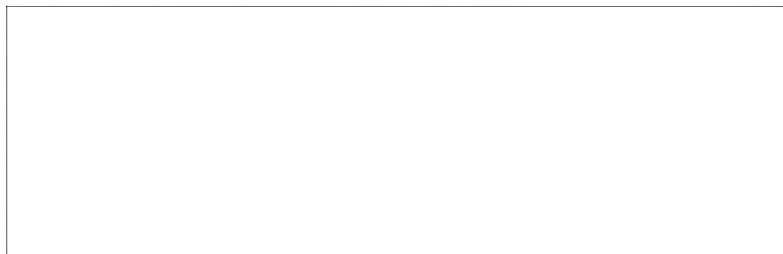
Party leaders are set to meet again next week, apparently for another whack at the divisive question of who is to run the country in the hard days ahead. They face a much deeper crisis than this, however, and it goes to the very core of the Communist system itself. The party's difficulties are summarized in today's Annex.

5. Cyprus

New tensions are likely to arise from the proclamation yesterday by the Turkish Cypriots setting up a provisional council to administer their affairs. Greek Cypriots will insist that this is an attempt to set up a separate Turkish government on the island. Makarios has already blasted it as "flagrantly unlawful."

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6. Egypt



7. Dominican Republic

Santo Domingo is buzzing again with rumors of an early attempt to overthrow President Balaguer. [redacted]

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[redacted]
[redacted] Balaguer's position, however, does seem to have deteriorated in the past two months. The new rumors themselves will warm up the uneasy political climate.

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ANNEX

Crisis in the Czechoslovak Party

After 20 years in power, the Czech Communists have little to show for their efforts but economic stagnation and growing dissatisfaction among important segments of the population. The country is a good candidate for the world's worst case of what Communism can mean to a people who had developed a fairly modern economy and were relatively satisfied with their lot before the Communist takeover. Now the chickens are coming home to roost.

The party itself is sharply divided between liberals and conservatives, and the result is confusion and lack of cohesion at the top. The liberals are urging further decentralization of the state apparatus, including greater autonomy for individual factories and farms. Many also favor some relaxation in the regime's tight political controls. The conservatives, on the other hand, fear these changes would bring dilution of the party's political power and a weakening of its ties with Moscow.

President Novotny, who is also party boss, is basically a conservative. Even he, however, has seen the need for change. His economic reform program last year envisaged a loosening up of centralized controls and was an important concession to liberal views. Conservatives lower down in the bureaucracy, however, have thwarted it by insisting on their old rigid interpretation of the State's authority.

Unrest is growing both within and outside the party. The regime's inability to maintain rapport with the intellectual community was illustrated last June. The country's leading writers boldly attacked the premises of the regime's cultural and political policies and asked for a much more liberal approach. The party leadership ignored the demands--but it has been afraid to take action against the writers.

Czechoslovak youth--with their "happenings," miniskirts, and illegal, Western-oriented youth clubs--have for some years been demonstrating their

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alienation from the regime. Today, Prague students are demanding equal justice and adherence to the rule of law. They apparently have the backing of some party intellectuals and the sympathy--but not the active support--of the general population.

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Soviet party boss Brezhnev made a sudden visit to Prague on 8 and 9 December, just prior to a scheduled central committee meeting, to take a first-hand look at the situation and apparently to lend Novotny his support. The central committee subsequently met from 19 to 21 December and the presidium has been in session almost constantly since the beginning of the month. No policy or personnel changes have yet been announced, however.

Novotny's position without doubt has been weakened in recent months, and there is widespread dissatisfaction with his stand-still leadership. This has given rise to speculation that he himself will be removed from either or both of his government and party positions. On the other hand, there is apparently no individual within the leadership apparatus who is both acceptable to Moscow and strong enough politically to replace Novotny as head of the regime. Thus, if Novotny were forced out, he would probably be replaced by a weak collective leadership.

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FOR THE PRESIDENT'S EYES ONLY

Special Daily Report on North Vietnam



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I. NOTES ON THE SITUATION

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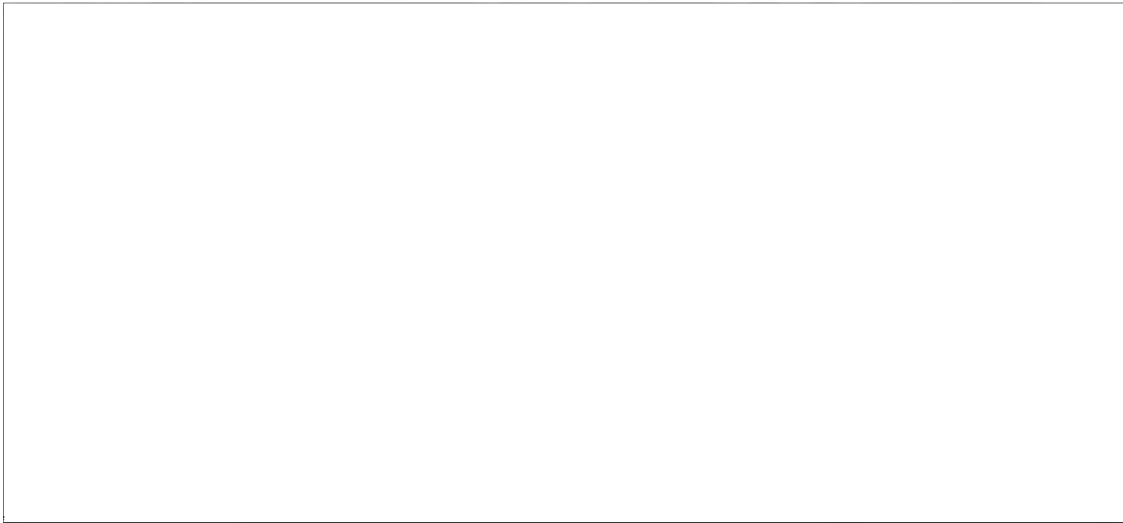
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Hanoi Backs Sihanouk: Hanoi radio yesterday broadcast a Nhan Dan editorial promising strong support to Cambodian Chief of State Sihanouk. The editorial, evidently written before Sihanouk's recent interview with the Washington Post reporter, said US reports of Communist use of sanctuaries in Cambodia were "brazen slanders." As might be expected, it went on to claim that it was all a plot to step up the war and extend it to the whole of Indochina.

Nhan Dan declared the Vietnamese people were fully behind the Cambodian people in "their struggle" and took the stock Hanoi line about "volunteers." The editorial said Cambodia has the "legitimate right to call when necessary for assistance from friendly countries to defeat the US."

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II. NORTH VIETNAMESE REFLECTIONS OF US POLITICAL
ATTITUDES ON THE WAR



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